

106TH CONGRESS
2D SESSION

H. R. 4562

To amend the Internal Revenue Code of 1986 to increase the maximum estate tax deduction for family-owned business interests.

IN THE HOUSE OF REPRESENTATIVES

MAY 25, 2000

Mr. ETHERIDGE (for himself and Mrs. CLAYTON) introduced the following bill;
which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to increase the maximum estate tax deduction for family-owned business interests.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. INCREASE IN ESTATE TAX DEDUCTION FOR**
4 **FAMILY-OWNED BUSINESS INTERESTS.**

5 (a) IN GENERAL.—Subsection (a) of section 2057 of
6 the Internal Revenue Code of 1986 (relating to family-
7 owned business interests) is amended by striking para-
8 graphs (2) and (3) and by inserting after paragraph (1)
9 the following new paragraphs:

10 “(2) MAXIMUM DEDUCTION.—

1 “(A) IN GENERAL.—The deduction allowed
 2 by this section shall not exceed the limitation
 3 determined in accordance with the following
 4 table:

In the case of decedents

dying during:

The limitation is:

2001	\$2,000,000
2002	\$2,500,000
2003	\$3,000,000
2004	\$3,500,000
2005 or thereafter	\$4,000,000.

5 “(B) INFLATION ADJUSTMENT OF LIMITA-
 6 TION.—In the case of decedents dying in a cal-
 7 endar year after 2005, the \$4,000,000 amount
 8 in subparagraph (A) shall be increased by an
 9 amount equal to the product of—

10 “(i) \$4,000,000, and

11 “(ii) the cost-of-living adjustment de-
 12 termined under section 1(f)(3) for such
 13 calendar year, determined by substituting
 14 ‘2004’ for ‘1992’ in subparagraph (B)
 15 thereof.

16 If any increase determined under the preceding
 17 sentence is not a multiple of \$10,000, such in-
 18 crease shall be rounded to the nearest multiple
 19 of \$10,000.”

1 (b) EFFECTIVE DATE.—The amendment made by
2 subsection (a) shall apply to estates of decedents dying
3 after December 31, 2000.

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